

CITIZENS' INDEPENDENT TRANSPORTATION TRUST (CITT)

Budget and Finance Committee Meeting

Tuesday, September 16, 2003
Metro Dade Center
111 NW 1st Street
18 Floor, Conference Room 18-1
2:00 p.m.

Summary of Minutes

CITT MEMBERS:

Theodore Wilde, Chairman
Mike Abrams
Marc Buoniconti
John Cosgrove
Miles Moss

OTHERS PRESENT:

Robert Cuevas, Assistant County Attorney
Alberto Parjus, OPTM
Patty David, OPTM
Alina Philipp, OPTM
Mayra Bustamante, MDT
Clinton Forbes, MDT
Frank DelVecchio, CAC
Michelle Brown, MDT
Daniel J. Alfonso, OPTM
Dick Haffele, Budget Office
Peter Evans, Metro Aqua Cats
Jose Basulto, Citizen
Jose Galan, Public Works
Jack Furney, OPTM

ROLL CALL

With a quorum being present, the meeting of the Budget and Finance Committee was called to order by Theodore Wilde, Chairman at 2:10 p.m.

WELCOME REMARKS

Mr. Wilde welcome and thanked everyone for attending.

APPROVAL OF MINUTES – August 28, 2003

Mr. Buoniconti moved to approve the August 28, 2003 minutes, seconded by Mr. Moss and carried without dissent.

CITIZENS COMMENTS

Frank Delvecchio, member Miami Beach Citizens Advisory Committee for the MPO Baylink project distributed and explained his analysis for the usage of the surtax proceeds.

Mr. Parjus added that the list of projects listed in this analysis represents neither the priority of the corridors nor the endorsement of the MPO. The only project that has been endorsed by the MPO has been the North Corridor.

APPROVAL OF AGENDA

Mr. Wilde asked for a motion to approve the agenda with an additional item: 6x "Professional Service Agreement with Washington Infrastructure". The motion was carried without dissent. Mr. Wilde stated that he understands that the MDT would like the committee to approve the contract, however the members have not had ample time to review the contract since it has just been distributed.

Mr. Clinton Forbes, Assistant to the Director MDT, asked if the committee could forward the contract to the full CITT for discussion. Mr. Wilde responded that it could not be forwarded without the committee having the opportunity to review it.

Ms. Mayra Bustamante, Assistant Director Administration MDT, discussed the contents of the contract (distributed). The Professional Service Agreement is between Washington Infrastructure Services, Inc. and Miami Dade County. The consultant shall provide all the necessary specialized engineering services (Mass Transit Systems, Mechanical Engineering and Electrical Engineering) required to prepare bid and contract documents for the selection of the contractor to refurbish and rehabilitate the existing 136-car Metrorail heavy rail fleet and the original 12-car Metromover Phase One fleet. The contract has been approved by the Board of County Commissioners (BCC) Transportation and OPTM committees and approved by the BCC on September 9, 2003.

Mr. Cosgrove clarified that before the CITT was established the County Manager office developed the Request For Proposals (RFP) and advertised it. The selection committee reviewed all the proposals and made a recommendation to the County Manager who made the final decision. His recommendation was forwarded to the BCC, which has approved and authorized the manager to enter into a contract. The CITT has the authority to review the contract. Therefore, the committee will need to act on the contract sooner or later. He suggested that MDT make a presentation at the next Budget and Finance Committee in October unless there is a deadline.

Mr. Abrams interjected that one of the major responsibilities of the CITT is oversight. The contract presented is worth over \$2.1 million. The CITT does not have to approve every contract

the BCC approves and forwards to the CITT without having sufficient background information and time to review the issue before final approval.

Mr. Wilde asked for a motion to discuss the contract at the next Budget and Finance Committee in October. Mr. Cosgrove seconded the motion and carried without dissent.

Mr. Abrams expressed his disapproval on the process in which the contract was added to the agenda. All items should be given to the Chair of the CITT to determine which committee should discuss the item. Mr. Abrams said he would like the Budget and Finance and the Project Review Committee to review the contract and forward its recommendation to the full CITT October 29, 2003.

RESPONSE FROM KPMG

Mr. Wilde noted that the County Manager's budget recommendations were sent to the members via email (a copy was distributed).

Mr. Wilde briefly talked about agenda item 6.1. He mentioned that a copy of the email between Miami Dade staff and KPMG was distributed. The outcome was the CITT did not get to KPMG Sharpton/Brunson to provide an opinion on the budget because the scope of work was not specified in detail.

Mr. Jack Furney, Assistant Director said the standards under the AICPA are restrictive and do not allow auditors to work for management as consultants when the firm also serves as auditors. The agreed upon work plan needs to be clearly defined before they begin to work so they are independent from management. Given the situation with the various departments involved, OPTM was not able to provide enough detail to develop an engagement letter at the initial meeting and it was agreed that the appropriate firm to do the work would be a consulting pool firm with a financial background. However, to get a consulting pool firm it would take a minimum of five months. If it were another CPA firm, which was not involved with the County's annual audit, it would not have a problem moving forward.

Mr. Abrams expressed his disappointment and said that he raised the issue of "conflict of interest" with Rachael Baum, Director of Finance and she stated that it was not an issue. The members present agreed that pursuing with KPMG Sharpton/Brunson defeats the purpose of having an independent review on the County Manager's Budget Recommendations.

Mr. Buoniconti made a motion to ask the Interim Chairman, Mike Abrams to prepare a letter to the County Manager explaining why the CITT was not able to comment on the budget because of the lack of obtaining professional staff. The motion was unanimously passed.

Mr. Abrams stated he would respond to the County Manager's memo dated September 12, 2003, on behalf of the CITT and would ask staff to send a copy to the CITT members.

BUDGET REVIEW

Mr. Wilde asked the members to review his comments to the County Manager's Transit Summer Study 6.2 in the package (distributed). He noted that an analysis of the Surtax expenditures in relation to total budgets, County General Funds, and other sources needs to be determined.

Mr. Cosgrove suggested to approve the analysis made by the Chairman of the Budget and Finance Committee requesting the full CITT members to add additional comments, as well as inviting the public to comment, and then to finalize the document and present it to the County Manager.

Mr. Wilde suggested that the members review the budget and make any comments or recommendation in October. Mr. Buoniconti added that without a professional recommendation, he does believe the committee members have the sufficient expertise to make a proper recommendation or comments.

Mr. Buoniconti made a motion to table any budget recommendations or comments until the CITT have been given professional staff to review the budget. Mr. Abrams seconded the motion, and carried without dissent.

STAFFING NEEDS

Mr. Wilde noted that Mr. Parjus suggested that the members read page 4, paragraph 3 from the County Manager's memo dated September 12, 2003. The Manager will be re-examining and adjusting transit services because certain routes and services have been ineffective.

Mr. Wilde said that each committee has been asked by the Project Review Committee to comment on both the staffing needs and Bylaws. He asked the members to review the attached staffing needs for the Budget and Finance agenda item 8.2 (distributed). Mr. Wilde said the requirements are a list of functions needed in addition to administrative duties. Again, he reminded the members that the Trust is not allowed to hire or fire employees.

Mr. Moss added to item 3:

Any other items present to the committee should have a financial review.

Mr. Moss asked Mr. Abrams how has each member been appointed to a committee? Mr. Abrams responded that he has either assigned a member to a committee or the member has asked to serve on a certain committee(s). Mr. Moss indicated that all CTAC members were members of all the committees. Those members who attended the committee had their vote counted. A quorum constituted 3 members. Mr. Abrams agreed with the open door approach.

Mr. Cosgrove interjected that because neither he nor Mr. Reeder were at the first CITT meetings, Mr. Abrams asked him which committee he would like to be appointed to. Mr. Moss suggested inserting in the Bylaws that a minimum of 3 CITT members present at each committee constitute quorum.

Mr. Wilde asked adoption of the staffing list with Mr. Moss' addition. Mr. Moss approved the motion to adopt the staffing list from the Budget and Finance Committee, to be forwarded to the Project Review Committee 9/17/03.

FOLLOW-UP ON MDT GENERATED REVENUES

Mr. Parjus, Chief Management Services OPTM explained and distributed Metrobus/Metrorail Boarding and Revenue charts:

Metrobus Total Golden Pass Boardings Oct 01- June 03

Captures the Golden Pass Registers, however does not represent actual boardings but what the bus drivers have registered. The increase is approximately 170,000 boardings per month. If these were paying passengers it would have been approximately \$102,000, which does not account for the total drop in revenues;

Metrorail Total Monthly Boardings Oct 01 – June 03

To premature to capture the total boardings since the new rail service began and will be monitored for the next 6 months;

Metrorail Total Fare box Revenues Oct 01- June 03

Shows a slight increase; I

Metrorail Average Fare Collected Per Boarding Oct 01 – June 03

Shows the same average for the month of June as it was before the half-penny sales tax was approved.

Metrorail Total Golden Pass Boardings Oct 01 – June 03

Believes there was a misinterpretation in the numbers from December 02 to March 03 because the elderly were allowed to ride for free without a Golden Pass going through the handicap gate;

Metrorail Total Farebox Revenues and Total Monthly Boardings Oct 01 – Nov 03

Mr. Parjus noted that although a substantial amount of service has been added to the system, there has not been an increase in boardings. To date, there is not indication of a demand for additional service. He said MDT would continue to monitor the services that have been increased and ask the CITT to make the appropriate adjustments.

NEXT MEETING

The next Budget and Finance Committee is scheduled for October 8, 2003 at 10:00 am. Mr. Buoniconti asked for the meeting to be rescheduled and asked staff to contact the members to set an alternative date.

ADJOURNMENT

There being no further business the meeting adjourned at 4:25 P.M.